KAROO HOOGLAND LOCAL MUNICIPALITY

MEMBERS OF THE KAROO HOOGLAND LOCAL MUNICIPALITY

WARD	COUNCILLOR
1	*C.M Fortuin*
2	*J.P. Julies*
3	J.J. van der Colff
4	*J.E. Davids*
Proportional	*G. Beukes*
Proportional	*A.C. van Wyk*
Proportional	*P.J. van Wyk*

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 70 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

Mr L. Nothnagel
Municipal Manager

24 Januarie 2014
Date

Karoo Hoogland Municipality
Statement of Financial Position as at 30 June 2012

	Note	2012	2011
		R	R
NET ASSETS AND LIABILITIES			
Net Assets		**173 247 401**	**173 700 715**
Accumulated surplus/ (deficit)		173 247 401	173 700 715
Non-Current Liabilities		**5 725 048**	**5 513 455**
Long-term liabilities	2	2 109 723	2 177 247
Employee benefits	3	3 615 325	3 336 208
Current Liabilities		**13 083 080**	**14 956 585**
Consumer deposits	5	428 925	164 507
Current employee benefits	6	1 797 929	1 928 251
Payables from exchange transactions	7	10 572 032	5 237 793
Unspent conditional government grants	8	-	7 563 874
Taxes	9	216 669	1 339
Current portion of long-term liabilities	2	67 524	60 821
Total Net Assets and Liabilities		**192 055 529**	**194 170 755**
ASSETS			
Non-Current Assets		**183 859 744**	**182 284 118**
Property, plant and equipment	10	163 710 210	162 598 982
Investment property	11	18 122 600	18 157 800
Intangible assets	12	873 299	953 092
Long-term receivables	13	1 153 635	574 244
Current Assets		**8 195 785**	**11 886 637**
Inventory	13	11 294	73 464
Receivables from exchange transactions	14	3 824 869	3 552 913
Receivables from non-exchange transactions	15	1 343 323	1 650 839
Unpaid conditional grants and receipts	8	724 111	-
Operating lease asset	16	2 517	2 517
Cash and cash equivalents	17	2 289 670	6 606 904
Total Assets		**192 055 529**	**194 170 755**

Karoo Hoogland Municipality
Statement of Financial Performance for the year ended 30 June 2012

	Note	2012	2011
		R	R
REVENUE			
Revenue from Non-Exchange Transactions		**47 356 880**	**42 622 713**
Taxation revenue		**3 862 235**	**3 288 126**
Property taxes	18	3 643 239	3 103 190
Property rates penalties	18	218 996	184 936
Transfer revenue		**43 489 530**	**39 328 851**
Government grants and subsidies-capital	19	23 531 867	7 850 088
Government grants and subsidies-operating	19	19 955 152	31 477 721
Public contributions and donations	20	2 511	1 042
Other revenue		**5 114**	**5 736**
Fines		5 114	5 736
Revenue from Exchange Transactions		**11 620 569**	**9 280 518**
Service charges	22	10 044 822	8 043 091
Rental of facilities and equipment		760 134	518 737
Interest earned on external investments		113 197	108 887
Interest earned on outstanding debtors		319 894	329 500
Licences and permits		1 800	2 183
Agency services		206 832	140 121
Other income	23	173 890	137 999
Total Revenue		**58 977 449**	**51 903 231**
EXPENSES			
Employee related costs	24	17 941 878	15 922 663
Remuneration of councillors	25	1 321 066	1 114 276
Debt impairment	26	2 173 871	-893 919
Depreciation and amortisation	27	14 230 716	13 586 428
Repairs and maintenance		2 194 757	1 889 382
Finance charges	28	545 010	560 440
Bulk purchases	29	4 951 920	3 837 059
Grants and subsidies	30	67 128	100 605
Operating grant expenditure	31	10 875 483	19 772 372
General expenses	32	5 128 934	2 405 678
Total Expenses		**59 430 763**	**58 294 984**
Net Surplus/(Deficit) for the year		**-453 314**	**-6 391 753**

Karoo Hoogland Municipality
Statement of Cash Flows for the year ended 30 June 2012

	Note	2012	2011
		R	R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts		**45 766 583**	**53 637 663**
Rate payers and other		12 228 356	10 761 499
Government grants		33 105 136	42 437 777
Interest		433 091	438 387
Payments		**35 082 690**	**40 874 662**
Suppliers and employees		35 011 784	40 419 703
Finance charges		70 906	454 959
Net cash from operating activities		**10 683 893**	**12 763 001**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-15 110 758	9 521 318
Purchase of intangible assets		-	394 537
Net cash from investing activities		**-15 110 758**	**9 915 855**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term liabilities		-260 829	-241 565
Decrease in long term receivables		676 231	-
Increase in consumer deposits		249 419	38 053
Net cash from financing activities		664 821	-203 512
Net increase/(decrease) in cash and cash equivalents		**-3 762 044**	**2 643 634**
Cash and cash equivalents in the beginning of the year		**6 051 714**	**3 408 080**
Cash and cash equivalents at the end of the year		**2 289 670**	**6 051 714**

Karoo Hoogland Municipality
Statement of Cash Flows for the year ended 30 June 2012

	Accumulated Surplus R	Total R
Balance 01 July 2010	178 062 112	178 062 112
Correction of error - note 33.11	1 233 917	1 233 917
Restated balance as at 01 July 2010	179 296 029	179 296 029
Net deficit for the year previously reported	-4 678 033	-4 678 033
Correction of error - note 33.11	-1 713 721	
GRAP Implementation adjustment	-917 281	-917 281
Balance 30 June 2011	173 700 715	173 700 715
Net surplus for the year	-453 314	-453 314
Balance 30 June 2012	173 247 401	173 247 401

Karoo Hoogland Municipality

Statement of Comparison of Budget and Actual Amounts
Statement of Financial Performance for the year ended 30 June 2012

Comparison of Actual figures to Budget

	2012 R Actual	2012 R Budget
Property rates	3 643 239	5 895 135
Property rates - penalties and collection charges	218 996	40 000
Service charges	10 044 822	8 598 684
Rental of facilities and equipment	760 134	480 687
Interest earned - external investments	113 197	63 368
Interest earned - outstanding debtors	319 894	330 000
Fines	5 114	17 000
Public contributions and donations	2 511	1 000
Licences and permits	1 800	2 800
Agency services	206 832	335 000
Government Grants and Subsidies	43 487 019	11 720 672
Other income	173 890	42 668
Total Operating Revenue	58 977 448	27 527 014
EXPENDITURE BY TYPE		
Employee related costs	17 941 878	9 442 678
Remuneration of councillors	1 321 066	1 104 079
Debt impairment	2 173 871	2 580 000
Depreciation and amortisation	14 230 716	-
Finance charges	545 010	130 000
Bulk purchases	4 951 920	2 785 000
Repairs and maintenance	2 194 757	1 624 414
Operating grant expenditure	10 875 483	2 880 000
Grants and subsidies	67 128	96 500
General expenses	5 128 934	6 832 890
Total Operating Expenditure	59 430 763	27 475 561
Operating Surplus/(Deficit) for the year	-453 315	51 453

2012
R
Variance
-2 251 896
178 996
1 446 138
279 447
49 829
-10 106
-11 886
1 511
-1 000
-128 168
31 766 347
131 222
31 450 434
8 499 200
216 987
-406 129
14 230 716
415 010
2 166 920
570 343
7 995 483
-29 372
-1 703 956
31 955 202
-504 768

		2012	2011
		R	**R**
2	**LONG TERM LIABILITIES**		
	Annuity loans at amortised cost	2 177 247	2 238 068
	Current portion transferred to current liabilities	67 524	60 821
	Total long term liabilities at amortised cost	**2 109 723**	**2 177 247**
	Refer below for maturity dates of long term liabilities		
	The obligations under the maturity loans are scheduled as follows:		
	Amounts payable under annuity loans	**Minimum payments**	
	Within one year	292 947	292 947
	Within two years	1 171 788	1 171 788
	Within five years	2 782 991	3 075 938
		4 247 726	4 540 673
	Less: Future finance obligations	2 070 479	2 302 605
	Present value of annuity obligations	2 177 247	2 238 068

Annuity loans at amortised cost is calculated at 5% -10.5% interest rate, with a maturity date of 31 December 2026

		2012	2011
3	**EMPLOYEE BENEFITS**		
	Post retirement medical benefits - Note 3.1	2 885 888	2 720 673
	Long service awards - Note 3.2	729 437	615 535
	Total non-current employee benefits	**3 615 325**	**3 336 208**
	Post retirement medical benefits		
	Balance in the beginning of the year	2 893 116	2 722 090
	Interest for the year	257 950	242 766
	Contribution for the year	97 265	89 084
	Less: Expenditure for the year	172 443	160 824
	Actuarial (Gain)/Loss for the year	-	-
		3 075 888	2 893 116
	Less: Transfer to current portion - Note 6	190 000	172 443
	Balance at the end of the year	**2 885 888**	**2 720 673**

Employment benefits (Continued)	**2012**	**2011**
	R	**R**
Long service awards		
Balance in the beginning of the year	724 082	625 780
Interest for the year	61 145	79 511
Contribution for the year	86 757	55 394
Less: Expenditure for the year	108 547	36 603
	763 437	724 082
Less: Transfer to current portion - Note 6	34 000	108 547
Balance at the end of the year	**729 437**	**615 535**
Total Non-Current Employee Benefits		
Balance in the beginning of the year	3 617 198	3 347 870
Interest for the year	319 095	322 277
Contribution for the year	184 022	144 478
Less: Expenditure for the year	280 990	197 427
	3 839 325	3 617 198
Less: Transfer to current portion - Note 6	224 000	280 990
Balance at the end of the year	**3 615 325**	**3 336 208**

3.1 Post retirement medical aid benefits

The post retirement medical benefit plan, is a defined benefit plan.

The members are made up as follows:		
In service employee members	14	14
Continuation members (e.g. Retirees, widows, orphans)	6	6
Total members	**20**	**20**

The liability in rspect of past service has been estimated as follows		
In service employee members	803 944	873 055
Continuation members	2 271 944	2 020 061
Total liability	**3 075 888**	**2 893 116**

The liability in respect of periods commencing prior the comparative year has been estimated as follows:	**2010**	**2009**
	R	**R**
Members	2 722 090	2 579 538
Total liability	**2 722 090**	**2 579 538**

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas
Fedhealth
Hosmed
Key Health
LA Health
Samwumed

Employment benefits (Continued)

The future service cost for the ensuing year is estimated to be R69 633 and the interest cost for the next year is estimated to be R224 475.

Sensitivity analysis on future service cost and interest cost

	Percent Change %	Service Cost R	Interest Cost R	Total Cost R	Percent Change %
Central assumption		97 265	257 950	355 215	
Health care inflation	1%	116 805	292 053	408 858	15%
Health care inflation	-1%	81 764	229 265	311 029	-12%
Post-retirement inflation	-1 year	99 885	267 937	367 822	4%
Average retirement age	-1 year	110 801	268 893	379 694	7%
Withdrawal rate	-50%	108 509	266 769	375 278	6%

Sensitivity analysis on the accrued liability

	Percent Change %	In service members R	Continue members R	Total liability R	Percent Change %
Central assumptions		1 052 476	2 023 412	3 075 888	
Health care inflation	1%	1 270 658	2 200 785	3 471 443	13%
Health care inflation	-1%	880 643	1 864 114	2 744 757	-11%
Post-retirement inflation	-1 year	1 081 868	2 110 404	3 192 272	4%
Average retirement age	-1 year	1 180 220	2 023 412	3 203 632	4%
Withdrawal rate	-50%	1 155 350	2 023 412	3 178 762	3%

Key actuarial assumptions applied:	2012 %	2011 %
Rate of interest		
Discount rate	9.18	9.18
Health care cost assumption rate	7.22	7.22
Net effective discount rate	1.83	1.83

The discount rate used is a composite of all government bonds and is calculated using a technique known as "bootstrapping".

Mortality rates
The PA 90 ultimate table, rated down by 1 year was used by the actuaries.

Normal retirement age
It is assumed that in-service members will retire at the age of 65, which than implicitly allows for expected rates of early and ill-health retirements.

Employment benefits (Continued)

The amounts recognised in the Statement of Financial position are as follows:

	2012 R	2011 R
Present value of fund obligations	3 075 888	2 893 116
Total liability	**3 075 888**	**2 893 116**

The fund is wholly unfunded.
The municipality has elected to recognise the full in the defined benefit liability immediately as per *IAS 19, Employee Benefits, paragraph 155(a) and GRAP 25.*

Reconciliation of present value of fund obligation	2012 R	2011 R
Present value of fund obligation at the beginning of the year	2 893 116	2 722 090
Amount expensed for the year	182 772	171 026
Contribution for the year	97 265	89 084
Interest cost	257 950	242 766
Expenditure for the year	172 443	160 824
Actuarial (gains)/losses	-	-
Present value of fund obligation at the end of the year	3 075 888	2 893 116
Less: Transfer to current portion - Note 6	190 000	172 443
Balance 30 June	**2 885 888**	**2 720 673**

3.2 Long service awards

The long service awards plans are defined benefit plans.
As at year end, 113 (2011 = 108) employees were eligible for long service awards.

The current service cost for the ensuing year is estimated to be R98 879 (2011 = R86 757), whereas the interest cost for the next year is estimated to be R74 573 (2011 = R61 145)

Key actuarial assumptions applied:	2012 %	2011 %
Rate of interest		
Discount rate	9.11	9.11
Health care cost assumption rate	6.43	6.43
Net effective discount rate	2.52	2.52

The discount rate used is a composite of all government bonds and is calculated using a technique known as "bootstrapping".

Sensitivity analysis on the future service cost and interest cost

	Percent Change %	Current Service R	Interest Cost R	Total Expense R	Percent Change %
Central assumptions		86 757	61 145	147 902	
General salary inflation	+1%	92 431	65 904	158 335	7%
General salary inflation	-1%	81 742	56 879	138 621	-6%
Average retirement age	-2 years	74 523	55 282	129 805	-12%
Average retirement age	+2 years	95 243	70 111	165 354	12%
Withdrawal rate	-50%	108 166	72 912	181 078	22%

The amounts recognised in the Statement of Financial Position are as follows:

	2012 R	2011 R
Present value of fund obligations	763 437	724 082
Net liability	**763 437**	**724 082**

Reconciliation of present value of fund obligation	2012 R	2011 R
Present value of fund obligation at the beginning of the year	724 082	625 780
Amount expensed for the year	39 355	98 302
Contribution for the year	86 757	55 394
Interest cost	61 145	79 511
Expenditure for the year	108 547	36 603
Actuarial (gains)/losses	-	-
Present value of fund obligation at the end of the year	763 437	724 082
Less: Transfer to current portion - Note 6	34 000	108 547
Balance 30 June	**729 437**	**615 535**

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:	2010 R	2009 R
Members	625 780	581 513
Total liability	**625 780**	**581 513**

No experience adjustments were estimated.

Employment benefits (Continued)

Sensitivity analysis on the future service cost and interest cost

	Percent Change %	Liability Expense R	Percent Change %
Central assumptions		763 437	
General salary inflation	+1%	820 756	8%
General salary inflation	-1%	710 996	-7%
Average retirement age	-2 years	691 484	-9%
Average retirement age	+2 years	871 977	14%
Withdrawal rate	-50%	906 124	19%

		2012 R	2011 R
4	**Non-current provisions**		
	Provision for rehabilitation of landfill sites	-	-
	Total non-current provisions	-	-

In terms of the licencing of refuse landfill sites, the municipality will not incur rehabilitation cost to restore the landfill.

		2012 R	2011 R
5	**Consumer Deposits**		
	Water	91 150	78 532
	Electricity	63 738	85 974
	Solar heating	269 706	-
	Other	4 331	-
	Total consumer deposits	**428 925**	**164 507**
6	**Current Employee Benefits**		
	Current portion of post retirement benefits	190 000	172 443
	Current portion of long-service bonus provisions	34 000	108 547
	Bonuses accrued	647 131	539 271
	Staff leave	926 798	749 356
	Pension Fund Investment Return Shortfall	-	358 634
		1 797 929	1 928 251

	2012 R	2011 R
6.1 Bonuses accrued		
Balance at the beginning of the year	539 271	333 524
Contribution to current portion	1 293 732	1 148 404
Expenditure incurred	1 185 872	942 656
Balance at the end of the year	**647 131**	**539 271**

Bonuses are being paid to all municipal staff, excluding section 57 managers. The balance at year end represents the portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.

	2012 R	2011 R
6.2 Provision for staff leave		
Balance at the beginning of the year	749 356	504 215
Contribution to current portion	543 805	756 987
Expenditure incurred	366 362	511 846
Balance at the end of the year	**926 798**	**749 356**

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of staff leave at reporting date. The provision will be realised as employees take leave. There is no possibility of reimbursement.

	2012 R	2011 R
6.3 Pension Fund Investment Return Shortfall		
Cape Joint Pension Fund	-	358 634
Total provision	**-**	**358 634**

The Cape Joint Pension Fund's rules determine that the employer must contribute any shortfall if investment revenue does not realise 5%. The Fund indicated that the municipality's share of the shortfall must be paid within 1 financial year.

	2012 R	2011 R
7 Payables from Exchange Transactions		
Trade payables	9 914 552	4 552 554
Payments received in advance	349 612	408 044
Sundry creditors	307 868	277 196
Total payables at year end	**10 572 032**	**5 237 793**

Payables are being recognised net of any discounts. Payables are being paid within 30 days as prescribed by the MFMA. The credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

	2012 R	2011 R
8 Unspent Conditional Government Grants and Receipts		
National government grants	-724 111	7 563 874
Provincial government grants	-	-
Total conditional government grants and receipts	**-724 111**	**7 563 874**

Refer to note 18 and appendix B for detailed reconciliation of grants. Unspent grants can be attributed to work in progress at reporting dates.

		2012	2011
9	**Taxes**	**R**	**R**
9.1	**VAT payable**		
	VAT payable	1 230 889	1 196 944
	VAT output in suspense		
	Contribution to provision for impairment of trade exchange receivables	-	-
	Opening balance	-	-
	Movement for the year	-	-
	Total VAT payable	**1 230 889**	**1 196 944**
9.2	**VAT receivable**		
	VAT receivable	1 014 220	1 195 605
	VAT input in suspense	-	-
	Total VAT receivable	**1 014 220**	**1 195 605**
9.3	**Net VAT payable**	**216 669**	**1 339**

VAT is payable/receivable on the cash basis

Karoo Hoogland Municipality
Notes to the Financial Statements for the year ended 30 June 2012

10 **2012**

Reconciliation of Carrying Value	**Cost**							
	Opening Balance	**Change in AP Other**	**Change in AP Infrastructure**	**Additions**	**Change in AP Infrastructure**	**Disposals**	**Closing Balance**	**Opening Balance**
	R	**R**	**R**	**R**	**R**	**R**	**R**	**R**
Land and Buildings	17 408 500	-	-	-	-	-	17 408 500	2 510 662
Land	1 163 300.00	-	-	-	-	-	1 163 300	-
Buildings	16 245 200.00	-	-	-	-	-	16 245 200	2 510 662
Infrastructure	299 736 208	-	-	14 906 655.98	-	-	314 642 864	153 277 751
Electricity	24 790 444	-		-	-	-	24 790 444	10 582 003
Road Transport	136 228 851	-		-	-	-	136 228 851	87 588 317
Sanitation	39 474 635	-		184 659		-	39 659 293	8 196 080
Water Supply	62 917 508	-		14 721 997		-	77 639 505	24 622 288
Solid Waste Disposal	360 300	-		-		-	360 300	269 554
Stormwater	35 964 470	-		-	-	-	35 964 470	22 019 509
Community Assets	-	-	-	-	-	-	-	-
Recreation Grounds	-	-	-	-	-	-	-	-
Civil Buildings	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-
Parks & Gardens	-	-	-	-	-	-	-	-
Public Conveniences/Bathhouses	-	-	-	-	-	-	-	-
Land Strip	-	-	-	-	-	-	-	-

Lease Assets	448 200	-	-	-	-	-	448 200	230 582
Office Equipment	448 200	-	-		-	-	448 200	230 582
Heritage Assets	-	-	-	-	-	-	-	-
Historical Buildings	-	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-	-
Painting & Art Galleries	-	-	-	-	-	-	-	-
Other Assets	2 352 317	-	-	204 102.50	-	-	2 556 419	1 327 248
Airconditioning	154 755		-	21 399		-	176 154	47 295
Chairs	-			16 456		-	16 456	
Compactor	-					-	-	
Compressors	10 000					-	10 000	5 000
Computer hardware	62 424			15 219		-	77 643	191 940
Concrete mixer	17 170					-	17 170	9 157
Electronic equipment	131 072					-	131 072	34 079
Extinguisher fire	30 626					-	30 626	15 313
Generator	13 802					-	13 802	6 901
Lawnmower	15 181					-	15 181	3 602
Ldv	372 563					-	372 563	165 744
Mechanical equipment	731					-	731	365
Office equipment	16 267			732		-	17 000	129
Office furniture	-			150 296		-	150 296	
Portable gernerators	-					-	-	-
Pump equipment	-					-	-	
Radio equipment	15 292					-	15 292	586
Road work machinery	389 000					-	389 000	172 116
Sewerage truck	497 868					-	497 868	493 442
Tables and desks	38 935					-	38 935	
Toolbox	-					-	-	-
Tools	3 515					-	3 515	1 549
Tracktor	-					-	-	

Trailer	-					-	-	
Truck flat bed	580 000					-	580 000	178 470
Tv and video equipment	1 047					-	1 047	524
Welding machine	2 070					-	2 070	1 035
PPE	319 945 224	-	-	15 110 758.48	-	-	335 055 982.92	157 346 243.00
Investment Property								
Land	17 191 200						17 191 200	
Buildings	1 074 000						1 074 000	107 400
	18 265 200.00						18 265 200.00	107 399.97
Intangible Assets								
Computer System	1 192 472						1 192 472	239 381
Grand Total	339 402 897						354 513 655	157 693 023

2011

Reconciliation of Carrying Value	Opening Balance R	Change in AP Other R	Change in AP Infrastructure R	Cost Additions R	Change in AP Infrastructure R	Disposals R	Closing Balance R	Opening Balance R
Land and Buildings	17 408 500	-	-	-	-	-	17 408 500	2 018 710
Land	1 163 300.00	-	-	-	-	-	1 163 300	-
Buildings	16 245 200.00	-	-	-	-	-	16 245 200	2 018 710
Infrastructure	290 630 058	-	-	9 106 150	-	-	299 736 208	140 804 858
Electricity	24 790 444	-		-	-	-	24 790 444	10 060 324
Road Transport	136 228 851	-		-	-	-	136 228 851	78 375 806
Sanitation	30 368 485	-		9 106 150		-	39 474 635	7 692 751

Water Supply	62 917 508	-		-		-	62 917 508	23 210 346
Solid Waste Disposal	360 300	-		-		-	360 300	243 274
Stormwater	35 964 470	-		-	-	-	35 964 470	21 222 358
Community Assets	-	-	-	-	-	-	-	-
Recreation Grounds	-	-	-	-	-	-	-	-
Civil Buildings	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-
Parks & Gardens	-	-	-	-	-	-	-	-
Public Conveniences/Bathhouses	-	-	-	-	-	-	-	-
Land Strip	-	-	-	-	-	-	-	-
Lease Assets	448 200	-	-	-	-	-	448 200	141 068
Office Equipment	448 200	-	-		-	-	448 200	141 068
Heritage Assets	-	-	-	-	-	-	-	-
Historical Buildings	-	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-	-
Painting & Art Galleries	-	-	-	-	-	-	-	-
Other Assets	4 433 130	-	-	415 167.87	-2 495 981	-	2 352 317	1 212 670
Airconditioning	94 591		-	60 164	-	-	154 755	35 480
Chairs	431 933				-431 933	-	-	83 224
Compactor	34 800				-34 800	-	-	8 425
Compressors	10 000					-	10 000	3 751
Computer hardware	334 045			62 424	-334 045	-	62 424	143 708
Concrete mixer	17 170					-	17 170	6 869
Electronic equipment	70 123			60 949		-	131 072	25 065
Extinguisher fire	30 626					-	30 626	11 488

Generator	13 802					-	13 802	5 177
Lawnmower	5 404			9 777		-	15 181	2 702
Ldv	372 563					-	372 563	124 336
Mechanical equipment	731					-	731	274
Office equipment	16 267					-	16 267	97
Office furniture	356 991				-356 991	-	-	80 066
Portable gernerators	-					-	-	-
Pump equipment	26 371				-26 371	-	-	998
Radio equipment	1 172			14 120		-	15 292	439
Road work machinery	389 000					-	389 000	129 117
Sewerage truck	329 068			168 800		-	497 868	75 960
Tables and desks	259 236			38 935	-259 236	-	38 935	54 485
Toolbox	-					-	-	-
Tools	3 515					-	3 515	1 162
Tracktor	505 831				-505 831	-	-	140 863
Trailer	546 775				-546 775	-	-	143 931
Truck flat bed	580 000					-	580 000	133 884
Tv and video equipment	1 047					-	1 047	393
Welding machine	2 069					-	2 069	776
PPE	312 919 888	-	-	9 521 318	-2 495 981	-	319 945 224	144 177 306
Investment Property								
Land	17 191 200						17 191 200	
Buildings	1 074 000						1 074 000	71 600
	18 265 200						18 265 200	71 600
Intangible Assets								
Computer System	797 935			394 537			1 192 472	159 588

Accumulated Depreciation							Carrying Value
Change in AP Other	hange in A ıfrastructure	Additions	Change in AP Other	Change in AP Infrastructure	Disposals	Closing Balance	
R	R	R	R	R	R	R	R
-	-	491 951.71	-	-	-	3 002 614	14 405 886.15
-	-	-	-	-	-	-	1 163 300.00
	-	491 951.71	-		-	3 002 614	13 242 586.15
-		12 928 200.99			-	166 205 952	148 436 911.32
		521 679.65			-	11 103 683	13 686 761.07
		9 212 511.31			-	96 800 828	39 428 022.83
		958 636.79			-	9 154 717	30 504 576.26
		1 411 942.07			-	26 034 230	51 605 275.37
		26 280.11			-	295 834	64 466.15
		797 151.06			-	22 816 660	13 147 809.64
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

	-	89 590.91		-	-	320 173	128 027.27
	-	89 590.91	-		-	320 173	128 027.27
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	489 785.88	-	-	-	1 817 034	739 385.69
		23 848.61			-	71 144	105 009.50
		30 914.87				30 915	-14 459.10
		3 525.23				3 525	-3 525.23
		1 249.14				6 249	3 750.86
		67 715.43				259 656	-182 012.62
		2 287.63				11 444	5 725.55
		21 202.79				55 281	75 790.35
		3 825.41				19 138	11 487.93
		1 724.08				8 625	5 177.04
		2 855.27				6 457	8 723.87
		41 407.64				207 152	165 410.82
		91.26				457	274.02
		32.27				161	16 838.28
		27 863.95				27 864	122 432.33
		-				-	-
		902.79				903	-902.79
		2 970.36				3 556	11 735.49
		42 999.63				215 116	173 884.08
		49 411.25				542 853	-44 985.17
		27 258.48				27 258	11 676.27
		-				-	-
		387.00				1 936	1 578.72
		45 118.60				45 119	-45 118.60

		47 217.65				47 218	-47 217.65
		44 587.21				223 058	356 942.42
		130.85				655	392.87
		258.48				1 293	776.43
-	-	13 999 529.49	-	-	-	171 345 772	163 710 210.43
						-	17 191 200.00
		35 799.99				143 200	930 800.04
		35 799.99					18 122 000.04
		79 793.50				319 174	873 298.26
-	-	14 115 122.98	-	-	-	171 808 146	182 705 508.73

Accumulated Depreciation							Carrying Value
Change in AP Other	hange in A ıfrastructure	Additions	Change in AP Other	Change in AP Infrastructure	Disposals	Closing Balance	
R	R	R	R	R	R	R	R
-	-	491 951.71	-	-	-	2 510 662	14 897 837.86
-	-	-	-	-	-	-	1 163 300.00
	-	491 951.71	-		-	2 510 662	13 734 537.86
-		12 472 893.49			-	153 277 751	146 458 456.33
		521 679.65			-	10 582 003	14 208 440.72
		9 212 511.31			-	87 588 317	48 640 534.14
		503 329.29			-	8 196 080	31 278 554.45

		1 411 942.07			-	24 622 288	38 295 220.06
		26 280.11			-	269 554	90 746.26
		797 151.06			-	22 019 509	13 944 960.70
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
140 991	-	89 590.91		(141 068.00)	-	230 582	217 618.18
140 991	-	89 590.91	-	(141 068.00)	-	230 582	217 618.18
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1 146 058	-	416 398.02	-	(1 212 670.06)	-	1 327 248	1 025 068.22
35 480	-	11 815.80	-	(35 479.60)	-	47 295	107 459.48
81 260		30 914.87		(83 223.59)			-
7 264		3 525.23		(8 425.21)			-
3 751		1 249.14		(3 750.86)		5 000	5 000.00
136 710		55 230.69		(143 707.62)		191 940	-129 516.63
6 869		2 287.63		(6 869.16)		9 157	8 013.18
25 065		9 013.08		(25 065.47)		34 079	96 993.14
11 488		3 825.41		(11 487.65)		15 313	15 313.34

5 177		1 724.08		(5 177.04)		6 901	6 901.12
2 702		899.90		(2 702.16)		3 602	11 579.14
124 336		41 407.64		(124 336.45)		165 744	206 818.46
274		91.26		(274.02)		365	365.28
97		32.27		(96.89)		129	16 138.17
79 519		27 863.95		(80 066.28)			-
-		-		-		-	-
667		902.80		(997.79)			-
439		146.36		(439.49)		586	14 705.85
129 117		42 999.63		(129 116.66)		172 116	216 883.71
75 960		25 296.96		(75 960.12)		493 442	4 426.08
54 134		19 471.53		(54 484.96)			
-		-		-		-	-
1 162		387.00		(1 162.03)		1 549	1 965.72
115 431		45 118.60		(140 862.75)			-
114 103		47 217.65		(143 931.46)			-
133 884		44 587.21		(133 883.72)		178 471	401 529.00
393		130.85		(392.88)		524	523.72
776		258.48		(776.20)		1 035	1 034.69
1 146 058	-	13 470 834.13	-	(1 353 738.06)	-	157 346 244	162 598 980.59

		-	17 191 200.00
	35 799.99	107 400	966 600.01
	35 799.99	107 400	18 157 800.01

	79 793.50	239 382	953 090.76

Karoo Hoogland Municipality
Notes to the Financial Statements for the year ended 30 June 2012

		2012 R	2011 R
11	**Investment Property**		
	Net carrying amount at 01 July 2011	**18 158 400**	**18 194 200**
	Cost	18 265 800	18 265 800
	Accumulated depreciation	**107 400**	71 600
	Depreciation for the year	35 800	35 800
	Net carrying amount at 30 June 2012	**18 122 600**	**18 158 400**
	Cost	18 265 800	18 265 800
	Accumulated amortisation	143 200	107 400

A register containing the information required by section 63 of the MFMA is available for inspection at the registered offices of the municipality

12	**Intangible Assets**		
	Computer software		
	Net carrying amount at 01 July	**953 092**	**1 032 885**
	Cost	1 192 472	1 192 472
	Accumulated amortisation	239 380	159 587
	Amortisation for the year	79 793	79 793
	Net carrying amount at 30 June	**873 299**	**953 092**
	Cost	1 192 472	1 192 472
	Accumulated amortisation	319 173	239 380

<u>Description</u>
Computer software with a remaining useful life of x years

No intangible assets were assessed having an indefinite useful life
There are no internally generated intangible assets at year end.
There are no intangible assets whose title is restricted.
No intangible assets were pledged as security for liabilities. There are no contractual commitments for the acquisition of intangible assets.

Karoo Hoogland Municipality
Notes to the Financial Statements for the year ended 30 June 2012

	2012	2011
	R	R
13 Long-term Receivables		
Balance at the end of the year	1 153 635	574 244

The long-term receivables relates to outstanding customer service accounts accounts where these customers have arrangements in place with the municipality to pay their accounts at a fixed instalment over a period longer than 12 months. Arrangements are in place up to 2014.

13 Inventory

	2012	2011
Consumable stores at cost	-	65 040
Water at purification cost	11 294	8 424
Total inventory	**11 294**	**73 464**

No inventory were pledged as security for liabilities

14 Receivables from Exchange Transactions

	Gross Balance R	Impairment Provision R	Net Balances R
As at 30 June 2012			
Electricity	810 428	728 597	81 831
Water	1 566 130	1 407 994	158 136
Refuse	1 396 009	1 255 050	140 959
Sewerage	1 167 119	1 049 272	117 847
Other	6 108 111	2 782 015	3 326 096
	11 047 797	**7 222 928**	**3 824 869**

	Gross Balance R	Impairment Provision R	Net Balances R
As at 30 June 2011			
Electricity	735 339	611 411	123 928
Water	1 277 043	1 061 821	215 222
Refuse	1 056 008	878 037	177 971
Sewerage	792 743	659 141	133 602
Other	6 141 814	2 665 380	3 476 434
	10 002 947	**5 875 790**	**4 127 157**

	2012 R	2011 R
Reconciliation for long term arrangements		
Net receivables from exchange transactions	3 824 869	4 127 157
Less: Transfer to long term receivables - arrangements	1 153 635	574 244
Total net receivables from exchange transactions	**2 671 234**	**3 552 913**
Reconciliation of provision for bad debts		
Balance at the beginning of the year	5 875 790	6 810 178
Doubtful debts written off against provision	-120 287	-35 252
Contribution for the year	1 467 425	-899 136
Balance at the end of the year	7 222 928	5 875 790

		2012	2011
14.1	**Ageing of Receivables from Exchange Transactions**	**R**	**R**
	Electricity Ageing		
	Current (0 - 30 days)	125 804	42 107
	31 - 60 days	43 712	22 306
	61 - 90 days	32 779	40 586
	Over 90 days	608 133	630 339
	Total	**810 428**	**735 339**
	Water Ageing		
	Current (0 - 30 days)	81 697	73 491
	31 - 60 days	48 045	43 722
	61 - 90 days	49 073	41 477
	Over 90 days	1 387 315	1 118 354
	Total	**1 566 130**	**1 277 044**
	Refuse Ageing		
	Current (0 - 30 days)	57 634	36 927
	31 - 60 days	46 374	34 976
	61 - 90 days	49 696	28 597
	Over 90 days	1 242 305	955 507
	Total	**1 396 009**	**1 056 008**
	Sewerage Ageing		
	Current (0 - 30 days)	59 708	29 872
	31 - 60 days	46 882	27 429
	61 - 90 days	50 096	21 985
	Over 90 days	1 010 433	713 457
	Total	**1 167 119**	**792 743**
	Total Ageing		
	Current (0 - 30 days)	324 843	182 397
	31 - 60 days	185 013	128 434
	61 - 90 days	181 644	132 645
	Over 90 days	4 248 186	3 417 657
	Total	4 939 686	3 861 134

14.2	**Summary of receivables by customer classification**		
	Residential, industrial, commercial	13 884 462	12 265 833
	National and provincial government	157 627	326 856
	Other	330 192	335 811
		14 372 281	12 928 500
	Less: Provision for doubtful debts	9 227 132	7 150 504
	Total	**5 145 149**	**5 777 996**

In determining the recoverability of a receivable, the Municipality considers any change in the credit quality of the receivable from the date the credit was initially granted, up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, management believes no further credit provisions are required in excess of the present allowance for doubtful debts.

All Non-Government debtors were either specifically impaired or subject to collective impairment.7

	2012	2011
	R	R
15 Receivables from Non-Exchange Transactions		
Rates	3 324 483	2 925 553
Less: Allowance for doubtful debts	1 981 160	1 274 714
Total net receivables from non-exchange transactions	**1 343 323**	**1 650 839**
Ageing of Receivables from Exchange Transactions		
Rates Ageing		
Current (0 - 30 days)	36 735	50 067
31 - 60 days	110 126	118 779
61 - 90 days	142 387	116 073
Over 90 days	3 035 235	2 640 635
Total	**3 324 483**	**2 925 553**
Reconciliation of doubtful debt provision		
Balance at the beginning of the year	1 274 714	1 269 498
Contributions to provision	706 446	5 216
Balance at the end of the year	**1 981 160**	**1 274 714**
Reconciliation of total doubtful debt provision		
Balance at the beginning of the year	7 150 504	8 079 675
Doubtful debts written off against provision	-120 287	-35 252
Contributions to provision	2 173 871	-893 919
Balance at the end of the year	**9 204 088**	**7 150 504**

Trade receivable impaired

	Exchange Transactions	Non-Exchange Transactions	Total
	R	R	R
2012			
Total	7 245 972	1 981 160	9 227 132
2011			
Total	5 875 790	1 274 714	7 150 504

Debts are required to be settled after 30 days, interest is charged after this this date at prime + 1%. The fair value of trade and other receivables approximates their carrying amounts. Discounting of receivables are not performed at initial recognition in terms of GRAP 104.

16 Operating Lease Arrangements

	2012	2011
The municipality as lessor		
Balance at the beginning of the year	2 517	2 517
Movement during the year	-	-
Balance at the end of the year	**2 517**	**2 517**

At the Statement of Financial Position date, where the Municipality acts as a lessor under operating leases, lease income will be received as follows:

Up to 1 year
1 to 5 years
More than 5 years

	2012	2011
	R	R

The municipality is leasing land to rate payers fro a period of 119 days with escalations of 10% per annum. The lease income was determined from from from contracts that have a specific conditional income and does not include lease income which has an undetermined conditional income. The leases are in respect of land being leased out for a period until 2017. The municipality does not engage in any sub-lease arrangements. The municipality did not receive any contingent rent during the year.

17 Cash and cash equivalents

	2012 R	2011 R
Assets		
Primary bank account	1 905 525	6 234 900
Call investment accounts	366 715	355 004
Cash floats	2 430	2 000
Fuel deposit	15 000	15 000
Total cash and cash equivalents - Assets	**2 289 670**	**6 606 904**
Current Accounts - Assets		
Standard Bank - Account number 083212442	1 826 535	484 714
ABSA Bank - Account number 2490000065	78 990	2 718 872
	1 905 525	**3 203 586**
Standard Bank Account number 083212442 (Primary bank account)		
Cash book balance at the beginning of the year	484 714	790 697
Cash book balance at the end of the year	1 826 535	484 714
Bank statement balance at the beginning of the year	468 557	789 497
Bank statement balance at the end of the year		468 557
ABSA Bank Account number 2490000065 (Secondary Bank Account)		
Cash book balance at the beginning of the year	2 718 872	-2 274 391
Cash book balance at the end of the year	78 990	2 718 872
Bank statement balance at the beginning of the year	2 751 797	-2 273 701
Bank statement balance at the end of the year		2 751 797
Call Accounts - Assets		
Standard Bank - Account number 28 864 122 002	-	3 031 314
ABSA Bank - Account number 40 5435 2064	-	355 004
	-	**3 386 318**
Standard Bank Account number 28 864 122 002		
Cash book balance at the beginning of the year	3 031 314	-
Cash book balance at the end of the year	-	3 031 314
Bank statement balance at the beginning of the year	-	-
Bank statement balance at the end of the year	-	3 031 314
ABSA Bank - Account number 4054352064		
Cash book balance at the beginning of the year	355 004	-
Cash book balance at the end of the year	-	355 004
Bank statement balance at the beginning of the year	355 004	-
Bank statement balance at the end of the year	-	355 004

		2012	2011
18	**Property rates**	**R**	**R**
	Rateable land and buildings		
	Residential, commercial property, state	8 450 766	7 367 618
	Less: Rebates	4 807 527	4 264 428
	Total assessment rates	**3 643 239**	**3 103 190**
	Property rates penalties imposed	218 996	184 936

Valuations - 01 July 2011

Rateable land and buildings

	2012	2011
Residential	218 704 670	217 803 340
Business	42 510 900	42 968 900
Governments	44 357 500	43 482 000
Private schools	1 448 800	1 056 800
Churches	10 197 600	9 686 600
Departmental	26 973 606	25 008 600
Old age homes	3 355 000	3 355 000
Building clause	1 252 040	1 379 000
Farms	1 963 746 655	1 863 616 600
	2 312 546 771	2 208 356 840

Rates are levied annually and monthly. Monthly rates are payable by the 15th of the following month and annual rates are payable before 30 September each year. Interest is levied at prime plus 1% on outstanding monthly instalments

Rebates can be defined as any income the Municipality is entitled to by law to levy, but which has subsequently been foregone by way of rebate or remission.

Assessment rates are levied on the values of immovable property as determined by the independent expert. The last valuation came into effect on 01 July 2011.
Revaluations will be undertaken in terms of the Property Rates Act.

A rate in the rand for domestic properties of R0.0035 was charged on the total municipal value.
Businesses were charged at a rate of R0.0045 on the total municipal value.

Properties used for domestic purposes and consisting of both land an improvements are subject to a R15 000 rebate. There are also different rebates and phased in tariffs for different sectors of the community.

		2012	2011
19	**Government Grants and Subsidies**	**R**	**R**
	Unconditional Grants	**11 544 000**	**10 141 821**
	Equitable share - Refer note 18.1	11 544 000	10 141 821
	Conditional Grants	**31 943 019**	**29 195 989**
	National Electrification Programme	3 224 111	-
	National FMG Grant	1 250 000	3 372 077
	National MIG Grant	16 946 874	7 122 553
	National MSIG Grant	790 000	1 070 411
	National Extended Public Works Program (EPWP)	-	2 485 571
	National LGSETA Skills Development Grant	76 075	41 418
	Provincial Housing Grant	5 935 109	13 476 581
	Provincial Library Grant	524 000	350 000
	Other Grants	3 196 850	1 277 378
	Total government grants and subsidies	**43 487 019**	**39 337 810**
	Government grants and subsidies - Capital	23 531 867	9 521 318
	Government grants and subsidies - Operating	19 955 152	29 806 492
		43 487 019	**39 327 810**

The municipality does not expect any significant changes to the level of grants

Revenue recognised per vote as required by Section 123 (c) of the MFMA

	2012	2011
Equitable share	11 544 000	10 141 821
Budget and treasury office	31 943 019	29 185 989
	43 487 019	**39 327 810**

19.1 Equitable Share

	2012	2011
Grants received	11 544 000	10 141 821

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the Municipality by National Treasury.

19.2 National: Electrification Programme

	2012	2011
Balance unspent at the beginning of the year	**-**	**-**
Current year receipts	2 500 000	-
Conditions met - transferred to revenue	3 224 111	-
Balance unspent at the end of the year	**-724 111**	**-**

		2012	2011
		R	R
19.3	**National: Finance Management Grant (FMG)**		
	Balance unspent at the beginning of the year	-	
	Current year receipts	1 250 000	3 372 077
	Conditions met - transferred to revenue	1 250 000	3 372 077
	Balance unspent at the end of the year	**-**	**-**

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the MFMA. The FMG grant also pays for the cost of the Financial Management Internship Programme (e.g.. Salary cost of the interns)
No funds have been withheld

		2012	2011
19.4	**National: Municipal Infrastructure Grant (MIG)**		
	Balance unspent at the beginning of the year	7 563 874	14 676 427
	Current year receipts	9 383 000	7 112 553
	Conditions met - transferred to revenue	16 946 874	14 225 106
	Balance unspent at the end of the year	**-**	**7 563 874**

The grant is used to construct roads, labour intensive sidewalks and sewerage infrastructure as part of the upgrading of informal settlement areas (Included in roads and sewerage works in Appendix B).
No funds have been withheld

		2012	2011
19.5	**National: Municipal Systems Improvement Grant (MSIG)**		
	Balance unspent at the beginning of the year	-	-
	Current year receipts	790 000	1 070 411
	Conditions met - transferred to revenue	790 000	1 070 411
	Balance unspent at the end of the year	**-**	**-**

The MSIG is used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.

		2012	2011
19.6	**National: LGSETA Skills Development Grant**		
	Balance unspent at the beginning of the year	-	-
	Current year receipts	76 075	41 418
	Conditions met - transferred to revenue	76 075	41 418
	Balance unspent at the end of the year	**-**	**-**

The grant is being used for the training and development of employees

		2012	2011
19.7	**Provincial: Library Grant**		
	Balance unspent at the beginning of the year	-	-
	Current year receipts	524 000	350 000
	Conditions met - transferred to revenue	524 000	350 000
	Balance unspent at the end of the year	**-**	**-**

The grant is being used to support library services

		2012	2011
		R	R
19.8	**Provincial: Integrated Housing and Human Settlements Grant**		
	Balance unspent at the beginning of the year	-	-
	Current year receipts	5 935 109	13 476 581
	Conditions met - transferred to revenue	5 935 109	13 476 581
	Balance unspent at the end of the year	-	-

The grant is being used for the construction of houses.

		2012	2011
19.9	**Other Grants**		
	Balance unspent at the beginning of the year		-
	Current year receipts	3 196 850	1 277 378
	Conditions met - transferred to revenue	3 196 850	1 277 378
	Balance unspent at the end of the year	-	-

Other grants were received (NALA Grant and District MIG Grant)

19.10 Changes in levels of Government Grants

Based on the allocation set out in the Division of Revenue Act, (Act No 5 of 2012) no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years

		2012	2011
20	**Public Contributions and Donations**		
	Museum donations	2 511	1 042
21	**Changes in Fair Value**		
	Unamortised discount - Interest expenditure	-	76 804
22	**Service Charges**		
	Electricity	6 020 434	5 227 430
	Service charges	6 020 434	5 238 280
	Less: Rebates	-	10 850
	Water	1 466 896	1 219 912
	Service charges	1 961 830	1 716 715
	Less: Rebates	494 934	496 803
	Refuse removal	1 211 988	814 589
	Service charges	1 977 616	1 562 008
	Less: Rebates	765 628	747 419
	Sewerage and sanitation charges	1 345 505	781 161
	Service charges	2 124 350	1 338 352
	Less: Rebates	778 845	557 192
	Total Service Charges	**10 044 822**	**8 043 091**

Rebates can be defined as any income the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

		2012 R	2011 R
23	**Other Income**		
	Connection fees	3 850	32 504
	Swimming pool fees	19 310	12 025
	Sundries	150 730	93 470
	Total Other Income	**173 890**	**137 999**
24	**Employee Related Costs**		
	Employee related costs - Salaries and wages	13 835 557	12 014 744
	Employee related costs - UIF, pensions and medical aids	1 131 082	786 478
	Travel, motor car, accommodation, subsistence and other allowances	418 201	457 354
	Overtime	290 239	431 220
	Bargaining council	5 150	5 154
	Bonuses	1 293 732	1 148 404
	Provision for leave	543 805	756 987
	Skills development	240 091	153 729
	Contribution to provision - Post retirement medical aid - Note 3	97 265	89 084
	Contribution to provision - Long service awards - Note 3	86 757	79 511
	Total employee related costs	**17 941 878**	**15 922 663**

Key Management Personnel

The municipal manager and the chief financial officer are on a fixed term contracts. All other directors are employed on a permanent basis. There are no post-employment or termination benefits payable to them at the end of their contract periods.

Remuneration of key management personnel

	2012 R	2011 R
Remuneration of the Municipal Manager: E Saayman		
Annual remuneration	36 833	774 222
Performance bonus	-	95 940
Contribution to UIF	1 497	-
	38 330	870 162
Remuneration of the Director Financial Services: MK Botha		
Annual remuneration	968 648	936 515
Performance bonus	110 238	80 047
Contribution to UIF	1 547	-
	1 080 433	1 016 562
Remuneration of the Director Technical: FJ Lotter		
Annual remuneration	408 875	353 320
Annual bonus	34 073	32 120
Contribution to UIF	1 547	-
	444 494	385 440
Remuneration of the Director Corporate Services: L Notnagel		
Annual remuneration	909 315	357 984
Annual bonus	110 238	32 544
Contribution to UIF	1 547	-
	1 021 099	390 528

		2012	2011
		R	R
25	**Remuneration of Councillors**		
	Mayor	576 588	548 610
	Councillors	744 477	565 666
	Total councillors remuneration	**1 321 066**	**1 114 276**

In-kind Benefits

The Mayor is also the speaker of the Municipality. The mayor is full-time. The mayor is provided with secretarial support and an office at the cost of the Council.

Certification by the Municipal Manager

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

..

Signed: Municipal Manager

		2012	2011
26	**Debt Impairment**		
	Trade receivables from exchange transactions - Note 14	1 467 425	-899 136
	Trade receivables from non-exchange transactions - Note 15	706 446	5 216
	Total contribution to debt impairment	**2 173 871**	**-893 920**
27	**Depreciation and amortisation**		
	Property, plant and equipment	14 115 123	13 470 835
	Intangible assets	79 793	79 793
	Investment property	35 800	35 800
	Total depreciation and amortisation	**14 230 716**	**13 586 428**
28	**Finance charges**		
	Long-term liabilities	225 915	238 163
	Post employment health	257 950	242 766
	Long service awards	61 145	79 511
	Total finance charges	**545 010**	**560 440**
29	**Bulk purchases**		
	Electricity	4 951 920	3 837 059
30	**Grants and subsidies**		
	Logan art festival	28 000	27 500
	Williston Agriculture	28 000	27 500
	Youth development	2 828	21 773
	Culture festival	8 300	19 446
	Other	-	4 387
	Total grants and subsidies paid	**67 128**	**100 605**

		2012	2011
		R	R
31	**Operating grant expenditure**		
	Budget and treasury	8 411 152	19 772 372
32	**General expenses**		
	Audit fees	1 675 184	-332 188
	Dog licences	-	8 118
	Refuse bags	64 500	87 719
	Bank charges	100 823	113 959
	Legal fees	231 059	-
	Insurance	165 586	169 482
	Stationery	220 890	231 439
	Gas	501 235	468 164
	Telephone	629 458	570 222
	Travelling	720 756	609 141
	Other	819 444	479 621
	Total operating grant expenditure	**5 128 934**	**2 405 678**
33	**Correction of errors in terms of GRAP 3**		
33.1	**Long term liabilities**		
	Long term loan		
	Balance previously reported	-	3 329 733
	Correction for adjustment to amortised cost	-	-1 152 486
	Restated balance		**2 177 247**
33.2	**Current liabilities**		
	Short term portion of long term loan		
	Balance previously reported	-	142 252
	Correction for adjustment to amortised cost	-	-81 431
	Restated balance		**60 821**
33.3	**Current liabilities**		
	Current employee benefits		
	Balance previously reported	-	1 569 617
	Correction of allocation for pension fund shortfall	-	358 634
	Restated balance	**-**	**1 928 251**
33.4	**Current liabilities**		
	Provisions		
	Balance previously reported	-	358 634
	Correction of allocation for pension fund shortfall	-	-358 634
	Restated balance	**-**	**-**
33.5	**Current assets**		
	Short term portion of long term receivables		
	Balance previously reported	-	695 601
	Correction of disclosure	-	-695 601
	Restated balance	**-**	**-**

		2011 R
33.6	**Current assets**	
	Receivables from exchange transactions	
	Balance previously reported	2 857 312
	Correction of disclosure	695 601
	Restated balance	**3 552 913**
33.7	**Revenue**	
	Other Income	
	Total previously reported	1 872 432
	Correction for value added tax receipts included in other income	-1 734 433
	Restated total	**137 999**
33.8	**Expenses**	
	Employee related costs	
	Total previously reported	15 972 052
	Correction for overstatement in contribution to post medical liability	-49 389
	Restated total	**15 922 663**
33.9	**Expenses**	
	Finance charges	
	Total previously reported	454 959
	Correction for overstatement in interest on long term loan	-216 796
	Correction for omission of interest on post-employment medical liability	242 766
	Correction for omission of interest on long service award libility	79 511
	Restated total	**560 440**
33.10	**Expenses**	
	Unamortised discount interest	
	Total previously reported	76 804
	Correction for long term loan stated at amortised cost	-76 804
	Restated total	**-**
33.11	**Accumulated surplus**	
	Opening balance previously reported	**178 062 112**
	Correction of errors	1 233 917
	Long term loan adjusted to amortised cost	1 152 486
	Short-term portion of long term loan adjusted to amortised cost	81 431
	Restated opening balance	**179 296 029**
33.12	**Statement of Financial Performance**	
	Deficit previously reported	**-4 678 032**
	Correction of errors	-1 713 721
	Overstatement in contribution to post medical liability	49 389
	Overstatement in interest on long term loan	216 796
	Understatment of interest on post-employment medical liability	-242 766
	Understatement of interest on long service award libility	-79 511
	Overstatment of unamortised discount interest	76 804
	Value added tax receipts included in revenue	-1 734 433
	Restated deficit for the year	**-6 391 753**

Karoo Hoogland Municipality
Notes to the Financial Statements for the year ended 30 June 2012

		2012	2011
		R	R
34	**Reconciliation between net surplus/(deficit) for the year and cash generated/(absorbed) by operations**		
	Surplus/(Deficit) for the year	-5 510 374	-4 678 033
	Adjustments for:		
	Depreciation and amortisation	14 035 329	13 506 635
	Amortisation of intangible assets	79 794	79 794
	Contribution to employee benefits - current		-197 427
	Contribution to employee benefits - current	285 303	450 887
	Contributions to provisions	-	358 634
	Contribution to employee benefits - current - expenditure incurred		466 755
	Debt impairment	2 039 930	-893 919
	Unamortised discount interest	77 499	76 804
	Interest income	-433 091	-438 387
	Interest expense	70 906	454 959
		10 645 296	**9 186 702**
	Operating surplus before changes in working capital		
	Changes in working capital:	**-4 120 026**	**2 733 834**
	Increase in Payables from Exchange Transactions	5 334 239	1 661 690
	Increase/(Decrease) in Unspent Conditional Grants and Receipts	-8 287 984	2 627 254
	Increase/(Decrease) in Unpaid Conditional Grants and Receipts	-	492 781
	Increase/(Decrease) in Taxes	215 330	-808 232
	Increase/(Decrease) in Inventory	62 170	-67 606
	Increase/(Decrease) in Receivables from Exchange Transactions	-1 044 851	-710 036
	Increase/(Decrease) in Receivables from Non - Exchange Transactions	-398 930	-462 018
	Cash generated/(absorbed) by operations	**6 525 269**	**11 920 535**

35 Cash and cash equivalents

Cash and cash equivalents included in the cash flow statement comprise the following:

	2012	2011
Bank Accounts - Note	1 905 525	6 234 900
Call Investments - Note	366 715	355 004
Cash Floats - Note	2 430	2 000
Fuel deposit	15 000	15 000
Total cash and cash equivalents	**2 289 670**	**6 606 904**

		2012	2011
		R	R
36	**Reconciliation of available cash and investment resources**		
	Cash and Cash Equivalents - Note 35	2 289 670	6 606 904
	Less:		
	Unspent Committed Conditional Grants - Note	376 141	7 563 874
	VAT Payable - Note 9	216 669	1 339
	Net cash resources available for internal distribution/(resources utilised for internal distribution)	**1 696 860**	**-958 309**

		2012	2011
37	**Utilisation of long term liabilities reconciliation**		
	Long - Term Liabilities - Note 2	2 109 723	2 177 247
	Used to finance property, plant and equipment	-2 109 723	-2 177 247
	Cash invested for repayment of long - term liabilities	-	-

Long-term liabilities have been utilised in accordance with the Municipal Finance Management Act.

38 Unauthorised, Irregular, fruitless and wasteful expenditure disallowed

38.1 <u>Unauthorised expenditure</u>

	2012	2011
Reconciliation of unauthorised expenditure:		
Opening balance	-	-
Unauthorised expenditure current year - capital	364 375	364 375
Unauthorised expenditure current year - operating	56 580 862	19 735 614
Written off by council	-	-
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation by municipal council	**56 945 237**	**20 099 989**

Incident	**Disciplinary steps / criminal proceedings**
Over expenditure of approved budgets per vote - See Notes 37.2 and 37.3	*None*

		2012 R (Budget)	2012 R (Actual)	2012 R (Variance)	2012 R (Unauthorised)
38.2	**Unauthorised expenditure current year - operating**				
	Administration	3 237 749	4 325 073	-1 087 323	-1 087 323
	Cemetery	46 315	111 276	-64 960	-64 960
	Commonage	191 950	241 275	-49 325	-49 325
	Council	4 387 048	5 286 727	-899 679	-899 679
	Economic development	125 000	138 485	-13 485	-13 485
	Finance	5 273 594	20 900 183	-15 626 589	-15 626 589
	Electricity	6 964 358	6 467 633	496 725	-
	Health	72 000	17 223	54 777	-
	Library	498 126	230 112	268 014	-
	Parks, trees and recreation	920 462	1 314 400	-393 938	-393 938
	Rates and taxes	4 480 805	72 377	4 408 428	-
	Sanitation	4 986 010	5 184 928	-198 918	-198 918
	Streets and public works	1 579 476	12 421 105	-10 841 629	-10 841 629
	Street lights	50 000	-	50 000	-
	Television	20 000	-	20 000	-
	Town hall and buildings	150 000	660 074	-510 074	-510 074
	Water	3 216 635	4 185 464	-968 829	-968 829
	Interdepartmental charges	-3 741 800	-2 987 186	-754 614	-754 614
		32 457 728	58 569 149	-26 111 420	-31 409 365

38.4 Fruitless and wasteful expenditure

	2012 R	2011 R
Reconciliation of fruitless and wasteful expenditure:		
Opening balance	-	-
Fruitless and wasteful expenditure current year	-	-
Written off by council	-	-
Transfer to receivables for recovery	-	-
Fruitless and wasteful expenditure awaiting further action	-	-

Incident	**Disciplinary steps / criminal proceedings**
None	*None*

38.5 Irregular expenditure

	2012 R	2011 R
Reconciliation of irregular expenditure:		
Opening balance	-	-
Irregular expenditure current year	-	-
Expenditure incurred without obtaining 3 quotes	3 446 401	
Awards made without obtaining tax clearance certificates	292 686	
Condoned or written off by Council	-	-
Transfer to receivables for recovery	**-**	-
Irregular expenditure awaiting approval	**3 739 087**	**-**

Recoverability of all irregular expenditure will be evaluated by Council in terms of section 32 of MFMA. No steps have been taken at this stage to recover any monies.

38.6 Material losses

	2012 R	2011 R
Electricity distribution losses		
- Units purchased (Kwh)	5 992 806	5 992 806
- Units lost during distribution (Kwh)	183 251	183 251
- Percentage lost during distribution	3%	3%
Water distribution losses		
- Kilo litres disinfected/purified/purchased	-	-
- Kilo litres lost during distribution	-	-
- Percentage lost during distribution	-	-

Own consumption is allocated to departments but do not form part of revenue. Bulk water metres will be installed at boreholes to determine water distribution losses in future.

		2012	2011
		R	**R**

39 Additional disclosures in terms of the Municipal Finance Act

39.1 Contributions to local organised government - [MFMA 125(1)(b)] - SALGA Contributions

	2012	2011
Opening balance	-	-
Council subscriptions	104 000	104 000
Amount paid - current year	-104 000	-104 000
Balance unpaid (included in creditors)	-	-

39.2 Audit fees - [MFMA 125(1)(b)]

		2012	2011
Opening balance		1 572 070	1 992 489
Current year audit fee		1 500 000	1 500 000
	External audit - Auditor General	1 500 000	1 500 000
	Audit Committee	**-**	**-**
Amount paid - current year		1 427 930	1 427 930
Amount paid - previous years		-	492 489
Balance unpaid (included in creditors)		**1 644 140**	**1 572 070**

39.3 VAT - [MFMA 125(1)(b)]

Opening balance
Amounts received - current year
Amounts paid - current year
Amounts received - previous years
Amounts claimed - current year
Closing balance - (Payable)/Receivable

Vat in suspense due to cash basis of accounting
Input vat
Output vat
Claimable

Vat is payable/receivable on the cash basis. Vat is only paid over to SARS once cash is received from debtors and only claimed from SARS once payment is made to creditors.

39.4 PAYE, SDL and UIF - [MFMA 125(1)(b)]

	2012	2011
Opening balance	**-**	**-**
Current year payroll deductions and Council Contributions	2 752 886	2 752 886
Amount paid - current year	2 752 886	2 752 886
Balance unpaid (included in creditors)	**-**	**-**

	2012	2011
	R	R

39.5 Pensions and Medical Aid Deductions - [MFMA 125(1)(b)]

	2012 R	2011 R
Opening balance	-	-
Current year payroll deductions and Council Contributions	2 205 647	2 205 647
Amount paid - current year	2 205 647	2 205 647
Balance unpaid (included in creditors)	-	-

39.6 Councillor's arrear consumer accounts - [MFMA 125(1)(b)]

The following councillors had arrear accounts for more than 90 days as at 30 June:	**Outstanding more than 90 days**	**Outstanding more than 90 days**
None		
Total Councillor Arrear Consumer Accounts	-	-

39.7 Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation (36)(1)(a) & (b)

	Single Supplier	Sec 35	Emergency	Total
	R	R	R	R
Jul-11				
Aug-11				
Sep-11				
Oct-11				
Nov-11				
Dec-11				
Jan-12				
Feb-12				
Mar-12				
Apr-12				
May-12				
Jun-12				

39.8 No declaration by suppliers as required in Section 13(c) of the Supply Chain Management Regulations

The contract values of suppliers who did not indicate on the registration forms that members are in service of the state in the previous twelve months are as follows:
R 30 000 - R 199 999
Greater than R 200 000

BBBEE points according to Preferential Procurement Regulation 2011 section 5 was incorrectly calculated

	2012	2011
	R	R

39.9 Budget: Non Compliance with Sec 29 and Sec 71

No unforeseen and unavoidable expenditure was incurred.

40 Capital Commitments

Commitments in respect of capital expenditure

	2012 R	2011 R
Approved and contracted for:	10 897 483	10 897 483
Infrastructure	10 264 231	10 264 231
Intangible assets	633 252	633 252
The expenditure will be financed from:		
Government Grants	10 897 483	10 897 483

41 Retirement Benefit Information

The Cape Joint Pension Fund is a multi- employer plan. This means that there are multiple loacal authorities that participate in the fund. In terms of GRAP 25, multi-employer plans are defined benefit plans. GRAP 25 also states that when sufficient is not available to apply defined benefit accounting for a multi-employer plan, an entity will account for the plan as a defined contribution plan.

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Fund's assets from the Fund administrator. The Fund administrator confirmed that that the assets of the Fund are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liability, the Municipality requested pensioner data from the Fund administrator. The Fund administrator claims that the pensioner data is confidential and was not willing to share the information with the Municipality. Therefore the Municipality was unable to calculate a reliable estimate of the accrued liability.

Cape Joint Pension Fund

The contribution rate payable is 9% by members and 18% by Council. The last acturial valuation performed for the year ended 30 June 2012 revealed that the Fund is in sound financial position.

Defined Contribution Funds

Council contribute SALA Pension Fund and SAMWU National Provident Fund which are defined contribution funds. Current contributions by Council are charged against expenditure on the basis of current service cost.

42 Financial Risk Management

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign exchange currency risk

The Municipality does not engage in foreign currency transactions.

(b) Price risk

The municipality is not exposed to price risk.

(c) Interest rate risk

As the municipality has significant interest bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The Municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority interest bearing liabilities.

The Municipality did not hedge against any interest rate risk during the current year.

	2012	2013
The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follows:	R	R
1% (2011 - 1%) Increase in interest rate		
0.50% (2011 - 0.50%) Decrease in interest rate		

(d) Credit risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur a financial loss.

Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Receivables are disclosed net after provisions are made for impairment and bad debt. Trade debtors comprise of a large number of ratepayers dispersed across different sectors and geographical areas. On-going credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other debtors is considered to be moderate due to the diversified nature of debtors and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply.

All rates and services are payable within 30 days from invoice date. Refer to notes 18 and 19 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms.

	2012	2011
	R	R
Receivables of Rxxx are pledged as security for financial liabilities.		

Due to the short term nature of receivables the carrying value disclosed in note 18 and 19 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rates plus 1 where applicable.

	2012	2012	2011	2011
	%	R	%	R
The provision for bad debts could be allocated between the different classes of debtors as follows:				
<u>Non exchange receivables</u>				
Rates				
<u>Exchange receivables</u>				
Long term receivables				
Service charges				
Bad debts written off per debtor class:				
<u>Exchange receivables</u>				
Service charges				

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposures are disclosed below.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectations of counter party default.

Long term receivables, Receivables from exchange transactions and Receivables from non-exchange transactions are individually evaluated annually at year end for impairment.

	2012	2011
	R	R
Financial assets exposed to credit risk at year end are as follows:		
Long term receivables		
Receivables from exchange transactions		
Receivables from non-exchange transactions		
Cash and cash equivalents		
Unpaid conditional grants and subsidies		

(e) <u>Liquidity risk</u>

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under the credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The Municipality manages liquidity risk through an on-going review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 2 and 5 years	Between 6 and 10 years	Over 10 years
2012				
Non-current Provisions				
Capital				
Interest				
Long term liabilities				
Payables from exchange transactions				
Unspent conditional government grants and receipts				

	2012 R	2011 R

2011

Non-current Provisions
Capital
Interest
Long term liabilities
Payables from exchange transactions
Unspent conditional government grants
and receipts

41 Financial Instruments

In accordance with GRAP 104 the financial instruments of the municipality are classified as follows:

41.1 Financial assets

Financial instruments at amortised cost
Long term receivables
Receivables from exchange transactions
Current portion of long term receivables
Cash and cash equivalents
Unpaid conditional grants
Total carrying amount of financial assets

42.2 Financial liability

Financial instruments at amortised cost
Long term liabilities
Payables from exchange transactions
Current portion of long term liabilities
Cash and cash equivalents
Unspent public contributions

43 Events after the reporting date

No such instances.

44 In-kind Donations and Assistance

The municipality did not receive any in-kind donations or assistance during the year under review.

		2012 R	2011 R
45	**Private Public Partnerships**		
	Council has not entered into any private public partnerships during the financial year.		
46	**Contingent Liability**		
	Claims against Council	3 000 000	-

The claims above relates to summonses issued against Council after the Labour Court set aside the suspension of senior officials as unlawful.

47 Related Parties

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers/residents.

47.1 Related party transactions

	Rates levied 1 July 2011 to 30 June 2012 R	Service charges 1 July 2011 to 30 June 2012 R	Other charges 1 July 2011 to 30 June 2012 R	Outstanding balances at 30 June 2012 R
Year ended 30 June 2012				
Councillors				
Municipal Manager and Section 57 Personnel				
Year ended 30 June 2011				
Councillors				
Municipal Manager and Section 57 Personnel				

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

47.2 Related party loans

None

47.3 Compensation of key management personnel

The compensation of key management personnel is set out in note 23 to the Annual Financial Statements.

APPENDIX A - Unaudited

KAROO HOOGLAND MUNICIPALITY

SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2012

EXTERNAL LOANS	Rate	Number	Redeemable	Balance at 30/06/2011	Balance at 30/06/2011 Restated
ANNUITY LOAN					
DBSA	5%	102367/1	31 December 2026	3 253 078	3 253 078
Total Annuity Loans				**3 253 078**	**3 253 078**

Received during the period	Redeemed written off during the period	Balance at 30/06/2012
-	155 010	3 098 068
-	**155 010**	**3 098 068**

APPENDIX B - Unaudited

KAROO HOOGLAND MUNICIPALITY

DISCLOSURES OF GRNATS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance at 01 July 2011 R	Contributions duirng the year R	Correction of error R	Operating Expenditure during the year Transferred to Revenue R	Capital Expenditure during the year Transferred to Revenue R	Total Expenditure during the year Transferred to Revenue	Grants Withheld R	Balance at 30 June 2012 R
UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS								
National Government Grants								
Integrated Electrification Programme	-	2 500 000	-	-	3 224 111	3 224 111	-	-724 111
Financial Management Grant	-	1 250 000	-	760 968	489 032	1 250 000	-	-
Municipal Infrastructure Grant	7 563 874	9 383 000	-	-	16 946 874	16 946 874	-	-
Municipal Systems Improvement Grant	-	790 000	-	790 000	-	790 000	-	-
LG SETA Skills Development Grant	-	76 075	-	76 075	-	76 075	-	-
Total National Government Grants	**7 563 874**	**13 999 075**	**-**	**1 627 043**	**20 660 017**	**22 287 060**	**-**	**-724 111**
Provincial Government Grants								
Integrated Housing and Human Settlements	-	5 935 109	-	5 935 109		5 935 109	-	
Library Services		524 000	-	524 000	-	524 000	-	-
Total Provincial Government Grants	**-**	**6 459 109**	**-**	**6 459 109**	**-**	**6 459 109**	**-**	**-**
Other Grants								
District Municipality MIG Grant	-	2 871 850	-	-	2 871 850	2 871 850	-	-
NALA	-	325 000	-	325 000	-	325 000	-	-
Total Other Grants	**-**	**3 196 850**	**-**	**325 000**	**2 871 850**	**3 196 850**	**-**	**-**
TOTAL GOVERNMENT GRANTS	**7 563 874**	**23 655 034**	**-**	**8 411 152**	**23 531 867**	**31 943 019**	**-**	**-724 111**

Unspent 30 June 2012 (Creditor)	Unpaid 30 June 2012 (Debtor)
R	R
-	-724 111
-	-
-	-
-	-
-	-
-	**-724 111**
-	-
-	**-**
-	-
-	-
-	**-**
-	**-724 111**